



AHFC 5

Regular Item
CITY OF AUSTIN
RECOMMENDATION FOR BOARD ACTION

AGENDA DATE: 6/8/2006

Subject: Approve the negotiation and execution of a loan to Campbell-Hogue and Associates, Incorporated, or its affiliate, under the Rental Housing Development Assistance Program, in an amount not to exceed \$378,000 to construct a 126-unit mixed-income/mixed-use rental facility for low-income families located at the southwest corner of East Riverside Drive and Montopolis Drive, Austin, TX.

Amount and Source of Funding: Funding is available in the City of Austin Housing Trust Fund in the Fiscal Year 2005-2006 Austin Housing Finance Corporation budget allocation under the Rental Housing Development Assistance Program.

Fiscal Note: There is no unanticipated fiscal impact. A fiscal note is not required.

For More Information: Paul Hilgers, Executive Director, Austin Housing Finance Corporation, 974-3108.

Prior Council Action:

Boards and Commission Action:

Purchasing Language:

MBE/WBE:

Following Board approval, a Rental Housing Development Assistance (RHDA) Program loan will be used to construct Rivermont Place located at the southwest corner of East Riverside Drive and Montopolis Drive. Rivermont Place will be a 122,875 square foot, three-story, mixed-income/mixed-use rental development comprised of 126 residential units, a laundry facility, a community room, a learning/youth center, and available retail space. This action will enable staff to issue a commitment of RHDA Program financing that will assist in the construction of the project subject to program and applicable environmental and land development requirements. A loan not to exceed \$378,000 at a minimum interest rate of 5% per annum for up to 20 years will be negotiated and executed with Campbell-Hogue and Associates, Incorporated, (CHA) or its affiliate. The rate and term of the loan will be determined according to the applicable federal mortgage rate guidelines at the time of loan closing. Austin Housing Finance Corporation's (AHFC) commitment is necessary at this time to allow the project to be eligible for approval of Low-Income Housing Tax Credits (LIHTCs) by the Texas Department of Housing and Community Affairs (TDHCA). The 126 residential units will be comprised of 36 one-bedroom/one-bath units, each measuring 750 square-feet in size; 68 two-bedroom/one bath units, each measuring 956 square feet in size; two two-bedroom/two bath studio units, each measuring 1,844 square feet in size (the two residential units designed as studio apartments will contain ground-level floor-space for potential retail use); and 20 three-bedroom/two bath units, each measuring 1,107 square-feet in size. The community room will measure 3,062 square feet and the learning/youth center will be 1,977 square feet. The learning/youth center will provide computer access to residents and non-residents in the immediate area and will also be used for an after-school program operated by the YMCA. The project will be developed in accordance with applicable S.M.A.R.T.

Housing™ standards. The 126 units will include six market-rate units and 120 affordable units for low-income families with yearly incomes not to exceed 50% of the Austin area's median family income (MFI) (currently \$35,550 for a four-member household). Of the 120 affordable units, 46 units will serve families with yearly incomes not to exceed 40% of MFI (currently \$28,450 for a four-member household), including four units for families with yearly incomes not to exceed 30% of MFI (currently \$21,350 for a four-member household). Monthly rents for the affordable units will range from \$467 to \$600 for one-bedroom units, \$549 to \$700 for two-bedroom units, and \$628 to \$813 for three-bedroom units. Monthly rents plus tenant-paid utilities will not exceed 30% of a household's monthly income. Families with U.S. Department of Housing and Urban Development Section 8 rental assistance vouchers will be accepted into the facility. Thirteen units will be made accessible for persons with mobility disabilities and three units will be made accessible for persons with hearing and vision disabilities. All ground-floor units will be adaptable for persons with disabilities. The project is proposed under the RHDA Program that provides federal and non-federal assistance as gap financing for the development of affordable rental housing for low- and moderate-income families and persons with special needs. Estimated sources and uses of funds for the project are provided in Attachment 1. Performance measures associated with the project are as follows: 1. Develop 126 units of rental housing of which 120 units will be reserved for low-income income families. 2. Ensure at least 13 units are made accessible for persons with mobility disabilities, and three units are made accessible for persons with hearing and vision disabilities. 3. Complete the project in accordance with applicable S.M.A.R.T. Housing™ standards. CHA, established in 1980 in Bellevue, Washington, has successfully developed more than 3,550 units of multi-family properties in Washington, Utah, Arizona and Texas. Since 1980, CHA has developed more than 50 affordable apartment communities financed with Low-Income Housing Tax Credits and other funding sources. CHA currently operates five multi-family properties in the Austin area, including the recently completed 160-unit Villas on Sixth Street mixed-income/mixed-use property located at 2011 East 6th Street co-developed and owned by AHFC. The requested funding is available in the Fiscal Year 2005-2006 budget allocation of the AHFC, and the request is consistent with the City of Austin's currently approved Consolidated Plan and the AHFC's strategy to provide assistance through below market rate financing for the development of affordable rental housing for low- and moderate-income households and persons with special needs.

Rivermont Place
Campbell-Hogue and Associates Incorporated

Estimated sources and uses of funds:

Sources:

TDHCA LIHTCs	\$ 9,328,978
Private financing	2,688,000
Deferred developer fee	471,676
AHFC RHDA funds	<u>378,000</u>
Total	\$12,866,654

Uses:

Predevelopment	445,000
Land	755,589
Construction	9,628,670
Soft/carrying costs	1,510,395
Other/contingency costs	<u>527,000</u>
Total	\$12,866,654